



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** December 15, 2022

**TO:** USAID/Iraq Mission Director, Elise Jensen

**FROM:** USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office,  
Supervisory Auditor, John Vernon /s/

**SUBJECT:** Independent Audit Report on Costs Incurred and Billed by Chemonics International, Inc. in Iraq Under USAID Indefinite Delivery, Indefinite Quantity Contract 72026719D00001, September 30, 2019 to September 30, 2021 (8-267-23-002-D)

This memorandum transmits the final audit report on costs incurred and billed by Chemonics International, Inc. in Iraq under USAID Indefinite Delivery, Indefinite Quantity contract 72026719D00001, from September 30, 2019 to September 30, 2021. USAID/Iraq contracted with Defense Contract Audit Agency (DCAA) to conduct the audit. DCAA stated that it performed its audit in accordance with generally accepted government auditing standards. DCAA is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's schedule of proposed direct costs or its compliance with the award, laws, and regulations.<sup>1</sup>

The engagement objectives were mainly to determine if the incurred and billed amounts comply with Federal Acquisition Regulation (FAR), Agency for International Development Acquisition Regulations (AIDAR), and contract terms pertaining to accumulating and billing incurred amounts. To answer the engagement objectives, DCAA performed the subject audit that covered \$13,844,411 in costs from September 30, 2019 to September 30, 2021.

---

<sup>1</sup> We reviewed DCAA's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

DCAA did not identify any questioned costs and qualified its opinion because of a scope limitation pertaining to lack of real time labor costs testing. DCAA said that except for the effects of non-compliances, if any, that they might have been identified had they performed real-time testing of labor, the costs comply, in all material respects, with FAR, AIDAR, and contract terms pertaining to accumulating incurred amounts under USAID Indefinite Delivery, Indefinite Quantity Contract 72026719D00001.

The report does not contain any recommendations for your action.

The OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").